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WILLIAM McALISTER, JR. mcalisterb@cox-internet.com August 20, 2007

Honorable James H. Welsh Commissioner of Conservation Department of Natural Resources Office of Conservation P. O. Box 94275 Baton Rouge, Louisiana 70804-9275

RE: Hackberry Zone, Reservoir C
SOUTH LAKE CHARLES FIELD
Calcasieu Parish, Louisiana

Dear Sir:

Application is hereby made on behalf of Kaiser-Francis Oil Company to the Commissioner of Conservation for the calling of a public hearing, after legal notice, to consider evidence relative to the issuance of an order pertaining to the following matters relating to the Hackberry Zone, Reservoir C, in the South Lake Charles Field, Calcasieu Parish, Louisiana.

- 1. To establish rules and regulations governing the exploration for and production of gas and condensate from the Hackberry Zone, Reservoir C, in the South Lake Charles Field, Calcasieu Parish, Louisiana.
- 2. To create a single drilling and production unit for this zone and to force pool and integrate all separately owned tracts, mineral leases and other property interests within the unit so created.
 - 3. To designate a unit operator and a unit well for the unit so created as may be appropriate.
- 4. To provide that any future wells drilled to the Hackberry Zone, Reservoir C, within or outside of the unit created herein, should be located in accordance with the provisions of LAC 43:XIX.1901 et seq. (Statewide Order No. 29-E).
- 5. To provide that the Commissioner may reclassify the Reservoir by supplemental order and without the necessity of a public hearing should such reclassification be warranted, based on evidence furnished the Commissioner.
 - 6. To discuss any other matters that may be pertinent to this application.

The Hackberry Zone, in the South Lake Charles Field, was fully defined in Office of Conservation Order No. 226-S-3, effective June 28, 2005 and is hereby further defined as being that gas and condensate bearing zone encountered between the depths of 14420' to 15070' (electrical log measurements) in the Kaiser-Francis Oil Company-Guillory No. 1 Well, located in Section 14, Township 11 South, Range 9 West, Calcasieu Parish, Louisiana.

In addition to furnishing the legal notice to all Interested Parties, the applicant will provide for <u>POSTING</u> of the legal notice of the hearing and unit plat in a prominent place in the area of the South Lake Charles Field, Calcasieu Parish, Louisiana, and will cause the legal notice of the hearing to be <u>PUBLISHED</u> in a newspaper of general circulation published in the vicinity of the South Lake Charles Field, Calcasieu Parish, Louisiana, at least fifteen (15) days before the hearing date.

Any pertinent data relating to the subject application can be obtained, **AT THE COST OF THE REQUESTING PARTY**, from David Comeaux at Leon E. Comeaux & Associates, P. O. Box 53922, Lafayette, Louisiana 70505 (337-233-9839).

In compliance with the Rules of Procedure, a preapplication conference was held in Lafayette, Louisiana, on July 6, 2007 at which the parties named on the attached list were in attendance.

The conference was opened with a discussion by Mr. David Comeaux, representing Kaiser-Francis Oil Company, concerning the nature and purpose of the conference and the bases for the applicant's proposed unit.

Messrs. Jim Hardwick, Bill Robbins and David Sturlese, representing Kaough & Jones, Dr. Norman P. Morin Et al and W.B. Lawton Company, respectively, presented counterplans which differed from the applicant in the placement of the unit boundaries.

Since the conference, all parties, with the exception of W. B. Lawton Company, have agreed to a resolution of differences. Accordingly, a revised plat is attached to the application. At this time it is unclear whether there will be opposition at the hearing.

There are attached hereto and made a part hereof a revised plat outlining the proposed unit, the conference attendance list, and a list of the names and addresses of the Interested Owners, Represented Parties, and Interested Parties to whom this application is being sent. Pursuant to the Revised Rules of Procedure, such list of parties is being furnished **ONLY** to the Commissioner of Conservation and to the District Manager of the Lafayette District of the Office of Conservation. However, said list of parties will be provided to any party requesting a copy. A reasonable effort was made to ascertain the names and addresses of all Interested Owners, Represented Parties and Interested Parties.

Finally, there is enclosed our check on behalf of the applicant, Kaiser-Francis Oil Company, in the sum of \$755.00 payable to the Office of Conservation and representing the required hearing application fee.

Sincerely,

LEON E. COMEAUX & ASSOCIATES

David Comeaux

DC/cu Enclosures

cc: Mr. Richard Hudson
Office of Conservation
825 Kaliste Saloom Rd.
Brandywine III, Suite 220
Lafayette, Louisiana 70508

Interested Parties, Interested Owners and Represented Parties

